



The importance of discussing inheritance with your heirs

As you finalise estate plans and decide how you'll distribute your fortune, it will benefit everyone involved to open lines of communication with presumed heirs.

You've achieved a level of financial success that allows you to share your wealth with the ones you love. Of course, substantial inheritances are a generous gesture that also carry great responsibility. Having a series of conversations with your heirs – to openly discuss the transfer of wealth and what expectations come along with it – will make sure everyone is on the same page. Oftentimes, your children have questions too, but money (especially large sums) feels like a taboo topic. They don't want to seem greedy, for example. Give them permission to better understand your hopes for your family's future.

Here's what you should consider as you plan the conversation.

WHO?

It's best for transparency to include all involved parties in a group conversation, but you know the dynamics of your family best. You may opt to have one-on-one discussions first to discuss details with individual heirs, then get the family together to touch on wider topics, like division of future caregiving responsibilities or carrying on certain values with the inheritance. Consider bringing in your wealth manager so your family can not only meet them but also feel comfortable asking any financial questions that arise over time.

WHAT?

Consider what needs to be said to your children before you set a meeting. Most important is to address exactly what's being gifted and what's not. Some other common threads are intentions for your wealth and how family changes may affect the inheritance. If wealth is being distributed unequally or you've decided all or some of your wealth will be donated to charity, it may be

uncomfortable to talk about – but this just means it needs to be discussed. Make a to-do list so it doesn't feel overwhelming and write out discussion points so you can rest assured you've covered everything.

WHERE?

Have the initial inheritance conversation with your heirs in person, if possible. For meetings to review documentation, for example, you may want to consider inviting your heirs to your wealth manager's or lawyer's office. A neutral location can help put everyone at ease; just make sure it's not public and it's conducive to candid, potentially emotional and lengthy, conversations.

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WHEN?

Putting off difficult conversations is all too common, but it's important to talk to your family about the plans for your estate well before something happens. If you think plans may change over the years (and they often do), you can let your heirs know you'll keep an open line of communication as your wishes and circumstances evolve. But, if you start the discussions early, at least your children will feel comfortable coming to you with questions as time goes on. They'll also be more prepared to jump in and assist with caretaking duties or financial matters if the need arises.

WHY?

Financial wealth is only one part of the conversation, so it's important to have a meaningful dialogue with your heirs about your wishes as you age. It allows you to express your expectations for your family to honour your legacy after you're

gone. And it also gives heirs the opportunity to plan for their own financial future and to prepare for executing your estate once it's time. Having these deep conversations often strengthens relationships and reinforces family values.

HOW?

You don't want to surprise your heirs by springing the inheritance conversation on them unexpectedly. The topic warrants a meeting (or series of them) that is solely focused on discussing your plans as you age, from financial matters to desired living arrangements and caretaking responsibilities. Support your conversations with any documents you may have, like legal paperwork and insurance policies, and provide your family members with the contact information of your estate planning team for when they'll need it later on.

Remember, your wealth manager is there to support you in the conversations you have around transferring your wealth. By opening the lines of communication earlier rather than later, you'll ensure your family understands the legacy you want to leave behind with your generosity.

Sources: [lessinglaw.com](https://www.lessinglaw.com); [frontierwealth.com](https://www.frontierwealth.com); [eksinsights.com](https://www.eksinsights.com) blog; Raymond James research